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GROUP 3600

GOVD-001

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): Underwood et al.)
Serial No.: 09/580,145) Examiner: Narayanswamy Subramanian
Filed: 05/30/2000)
For: METHOD FOR CONDUCTING A) Group Art Unit: 3624
COMPUTERIZED GOVERNMENT)
AUCTION)

DECLARATION OF MICHAEL K. UNDERWOOD

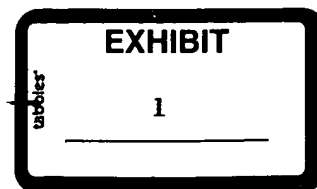
I, Michael K. Underwood, declare:

1. I am the President and CEO of GovDeals, Inc. and one of the named inventors on the subject patent application. I was also involved in the implementation and utilization of the GovDeals system. I have personal knowledge of the following facts and, if called and sworn as a witness, I could and would testify competently thereto.

2. GovDeals is a company that is practicing the tiered method for conducting a computerized government auction in the subject patent application. To date, over 300 government and other public entities have engaged the services of GovDeals to provide the auctioning method for disposing of surplus or excess assets.

3. One of the reasons expressed by our customers for their decision to utilize the GovDeals system is the multi-tiered availability method. Indeed, the tiered availability has given GovDeals a competitive advantage over other online auction systems.

4. Another unexpected benefit of the auction environment created by the GovDeals system is that bidders have become engaged in the competitive nature of auctions and bid much

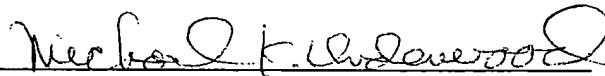


larger amounts of money for assets than had previously been obtained through standard sales of assets.

5. Because of the success of the GovDeals tiered availability method, at least one municipality that I am aware of has begun efforts to develop a similar system. The City of Nashville worked with GovDeals on a proof of concept project to determine whether it was interested in engaging GovDeals' services. The method proved very successful. However, rather than utilize GovDeals' services, Nashville is attempting to copy GovDeals and build and implement its own auction system with the restricted assets, i.e., tiered availability, incorporated into its system.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 20th day of July, 2004.


Michael K. Underwood